

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re

Chapter 11

RESIDENTIAL CAPITAL, LLC, *et al.*,

Case No. 12-12020 (MG)

Debtors.

(Jointly Administered)

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**DECLARATION OF BRUCE MARKS IN SUPPORT OF
NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA'S
STATEMENT REGARDING, AND OBJECTION TO, THE DEBTORS' PROPOSED
SALE OF THEIR PLATFORM ASSETS TO OCWEN LOAN SERVICING, LLC**

I, Bruce Marks, hereby declare, pursuant to 28 U.S.C. § 1746, that the following is true and correct to the best of my knowledge, information and belief:

1. I am the Chief Executive Officer of the Neighborhood Assistance Corporation of America ("NACA").
2. I make this Declaration in support of Neighborhood Assistance Corporation of America's Objection to the Debtors' Proposed Sale of Their Platform Assets to Ocwen Loan Servicing, LLC (the "Objection").¹
3. NACA is a nonprofit corporation and advocacy organization that provides mortgage-related assistance primarily to underserved low-and-moderate-income families and communities.
4. NACA operates from offices in 25 states and the District of Columbia.

¹ Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Objection.

5. NACA is a housing counseling agency approved by the U.S. Department of Housing and Urban Development and provides services to more borrowers than any other such agency in the United States.

6. NACA's primary goal is to build strong, healthy neighborhoods in urban and rural areas nationwide through affordable homeownership, and NACA pursues this goal through a number of programs:

- The Purchase Program assists individuals and families with obtaining mortgage loans at highly favorable terms—such as no downpayment, no closing costs or fees and below-market 30-year fully amortized fixed interest rates—for purchase of owner-occupied homes.
- The Home Save Program assists individuals and families with obtaining affordable mortgage payments for existing mortgage loans. Through its Home Save Program, NACA has helped tens of thousands of families to modify their mortgage free of charge. The Home Save Program has thus helped tens of thousands of families avoid foreclosure of their homes during the current sub-prime mortgage crisis.

7. As part of its Home Save Program, NACA has entered into contracts with many of the leading mortgage servicers and investors in the country, including with Ocwen Financial Corporation ("Ocwen"), an affiliate of Ocwen Loan Servicing, LLC, the proposed purchaser. These contracts require counterparties to work and cooperate with NACA to provide affordable mortgage solutions for at risk individuals and families.

8. NACA regularly provides its Home Save services at Save the Dream or American Dream events over five-day periods at major venues, such as sports arenas or convention centers, in cities throughout the United States. The mortgage servicers who have contracted with NACA participate in these events pursuant to the terms of their respective contracts.

9. At these events, typically attended by thousands of individuals, NACA provides on-the-spot solutions for many homeowners with an unaffordable mortgage. These solutions can

save clients hundreds or even over a thousand dollars in monthly mortgage payments and are achieved through interest-rate reductions (to as low as two percent per annum) and principal reductions. NACA has held more than 75 such events in the last two years alone.

10. NACA's Home Save services are provided free to the homeowner.

11. In order to pay the enormous costs advanced by NACA in convening Save the Dream events at major venues throughout the country and to fund our comprehensive services, NACA relies on income from a number of sources. One significant source is the payments from mortgage servicers and investors pursuant to their contracts with NACA for NACA's assistance in obtaining the required documentation and submitting files through NACA's Servicer Portal in order to arrange affordable mortgage solutions for the servicers' and investors' customers. Per the contracts, NACA is only paid once the customer receives an affordable solution and he/she makes his/her payments on-time for three months.

12. Ocwen's performance in assisting at risk families under its contract with NACA has been seriously deficient. In particular, unlike any other investor or servicer under contract with NACA, Ocwen has failed to meet its financial obligations under its contract with NACA. Ocwen is also required, under its contract with NACA, to provide information to NACA regarding the status of clients seeking assistance from Ocwen. Ocwen has failed to fully comply with these information-sharing requirements, thereby precluding NACA from effectively assisting such clients avoid foreclosure. Ocwen's financial and information-sharing breaches threaten to undermine NACA's mission of helping clients secure their homes by obtaining an affordable mortgage payment.

13. For this reason, NACA, on behalf of thousands of individuals and families at risk of losing their homes or struggling with an unaffordable mortgage, strenuously objects to the sale of the platform assets to any affiliate of Ocwen.

14. Furthermore, NACA objects to the proposed sale of assets because Ocwen's underwriting and servicing operations are, upon information and belief, based in India and it is incorporated in the Virgin Islands. Thus the sale of the assets will result in the loss of jobs in the United States in times of high unemployment. The location of underwriting and servicing operations in India also will place significant geographic and cultural hurdles in the way of efforts to advocate on behalf of individuals and families with unaffordable mortgages. The difficult personal issues related to foreclosure cannot be addressed by decision makers in India. My understanding is that Ocwen is unique in the outsourcing of its underwriting operations. In addition, many solutions and services provided to at-risk homeowners are funded through government programs. As a practical matter, therefore, if the sale of the platform assets to Owen is approved, tax payer monies will be used to fund jobs overseas.

15. For the foregoing reasons, I submit, on behalf of NACA and its many thousands of clients, that the sale of the platform assets to Ocwen or any Ocwen affiliate should be disapproved as contrary to the public interest. To do otherwise, would increase the risk that individuals and families in the United States will lose their homes to an unaffordable mortgage despite Ocwen's contract with NACA requiring Ocwen to work to prevent such outcomes.

Dated: November 5, 2012



Bruce Marks, NACA CEO